

Chart of the Week



Weekly Highlights

- **Domestic stock prices were moderately higher this week.** Broad equity indices hovered near record highs after this week's positive reports on retail sales and consumer confidence. The S&P 500 has rebounded 9.5% from its low in October, causing some investors to be concerned that the rally has been overdone.
- **Global markets were mainly higher on the week.** World markets were higher on balance this week, with China's markets delivering strong gains as regulators implemented policies for foreigners to access the markets. European stocks were mixed as the eurozone's real GDP growth rate came in slightly better than forecast.
- **Treasury prices were somewhat lower for the week.** The yield on the benchmark 10-year U.S. Treasury rose modestly this week.
- **Commodity indices declined again on the week.** Energy and metals were lower again this week, but grains rose.

Talking Points

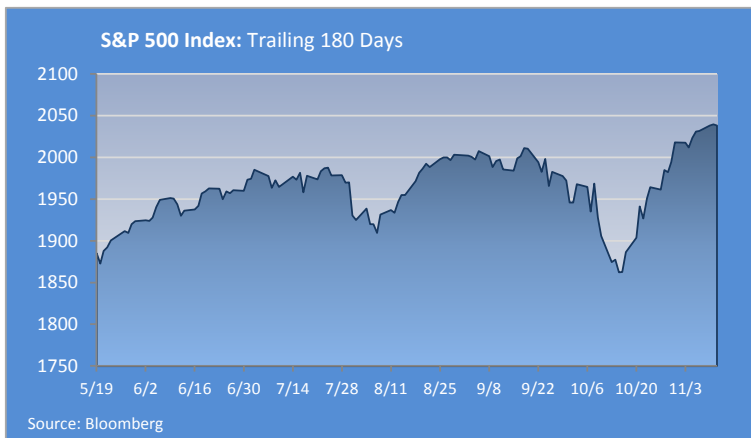
- **Among equities**, large-caps outperformed small-caps, and growth stocks outperformed value-oriented issues. Domestic stocks underperformed international equities. Developed markets outperformed emerging market stocks.
- **Treasury prices were lower this week.** The yield on the 10-year T-note rose slightly.
- **Commodity prices dropped on the week.** Energy and metals declined, but grains rose.
- **The dollar was modestly higher** this week against a basket of currencies.
- **Among economic data released this week**, retail sales rose in October; a measure of consumer confidence reached a seven-year high; Eurozone industrial production rose in September; manufacturing in China declined in October; and initial jobless claims in the latest week rose more than forecast.

MARKET DASHBOARD

	Last Price	Change	% Chg.	YTD %
S&P 500	2,039.82	6.00	0.30%	10.3%
Dow Industrials	17,634.74	75.71	0.43%	6.5%
Nasdaq	4,688.54	51.54	1.11%	12.2%
Russell 2000	1,173.80	0.83	0.07%	0.9%
Euro Stoxx Index	335.63	-0.07	-0.02%	2.1%
Shanghai Composite	2,478.82	60.65	2.51%	17.1%
Russell Global	1,738.57	9.35	0.54%	2.6%

Source: Bloomberg; Index % change is based on price.

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,101.53	17.71	0.57%	-0.2%
10-Year US Treas.	2.32	4 bps	NM	NM
DJ UBS Comm. Idx.	116.88	-1.15	-0.98%	-7.3%
Gold	\$1,189.77	-\$3.08	-0.26%	-2.2%
Crude Oil	\$75.98	-\$3.51	-4.46%	-19.0%
Dollar Index	87.53	0.15	0.17%	9.7%
VIX Index	13.31	0.79	6.02%	1.4%



	One Week			YTD		
	Value	Growth		Value	Growth	
L	0.13%	0.37%	0.61%	9.02%	10.00%	11.00%
	-0.13%	0.14%	0.38%	10.58%	9.71%	8.99%
S	-0.06%	0.07%	0.21%	0.53%	0.90%	1.29%

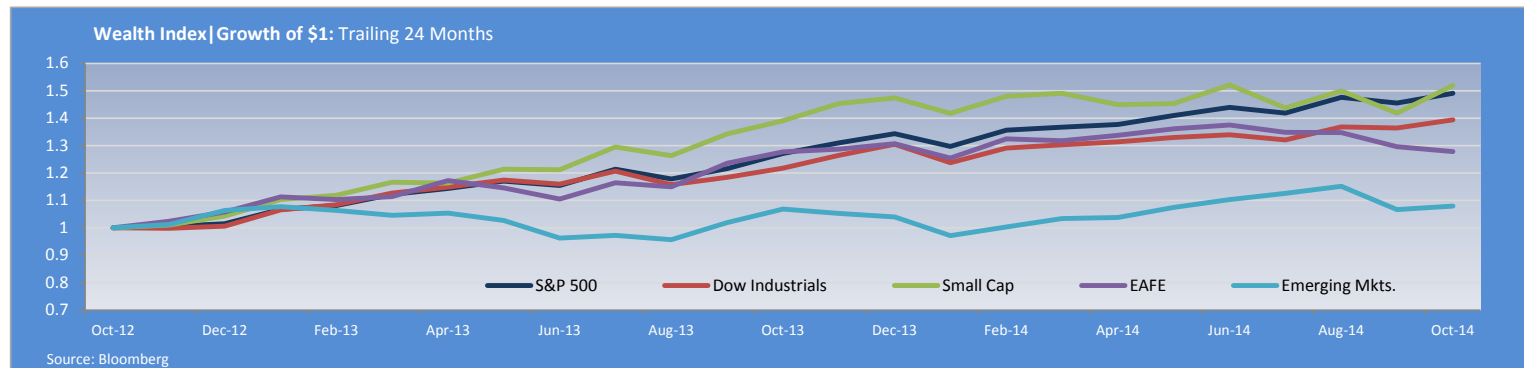
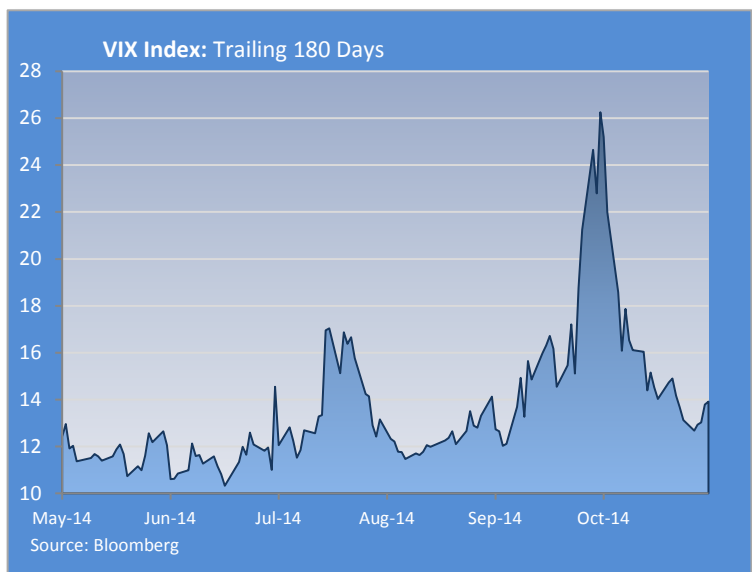
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	11.7	1.84%	3.6%
Consumer Staples	9.8	0.41%	11.4%
Energy	8.9	-2.58%	-3.9%
Financials	16.5	0.01%	10.3%
Health Care	14.1	0.29%	21.1%
Industrials	10.5	0.43%	7.1%
Information Technology	19.8	1.64%	17.2%
Materials	3.3	0.99%	5.9%
Telecom Services	2.5	1.82%	5.5%
Utilities	3.1	-2.78%	18.0%

Source: Bloomberg



THE ECONOMY AND MARKETS

A Macro View – Calm (For Now)

After intense selling and volatility in equities in early October, stocks have staged a substantial rally. Since the lows of October 15, the S&P 500 had rallied more than 12% through late this week, recovering all the ground lost in early October and then some. Earnings season has added additional fuel to the rally, as the companies of the S&P 500 posted overall earnings of more than 7.5%, with decent revenue growth of more than 4%. Bonds meanwhile also regained ground after having seen yields plunge in October, and yields now stand about where they were a month ago.

The intense swings of October were sharp and sudden, and dissipated almost as quickly as they arrived. It was a healthy reminder that volatility is always a possibility. It also can erupt unexpectedly, with few apparent triggers, and then evaporate just as quickly.

That said, we are back to steady gains, low volumes, and a market that continues to confound professional investors by stubbornly refusing to go up and down nearly as much as many traders and hedge funds expect. One recent research piece was aptly titled “The Bull Market No One Loves,” and indeed, it is difficult to find much conviction in this multi-year run among the Wall Street cognoscenti.

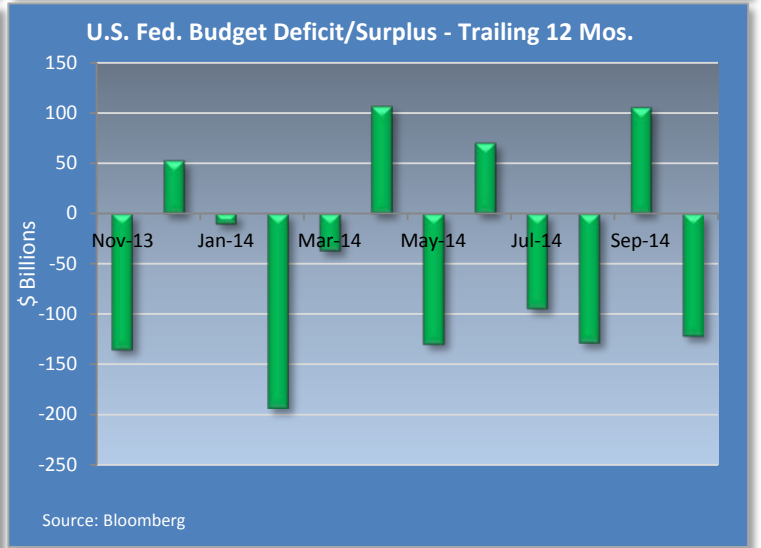
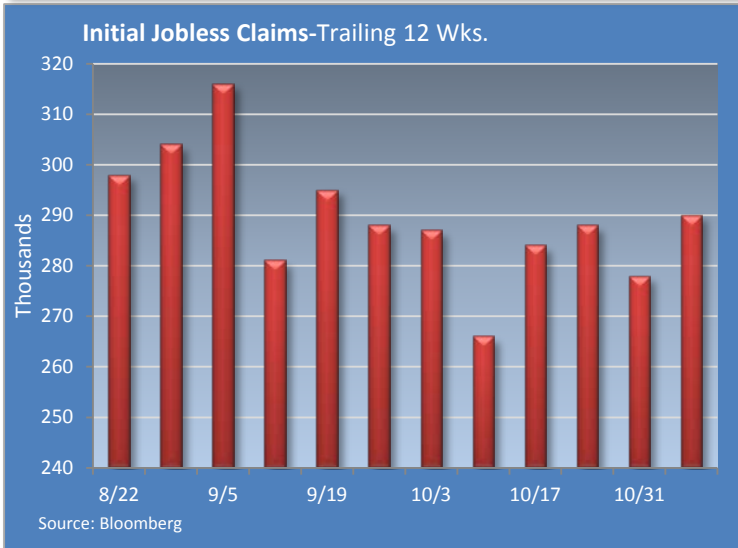
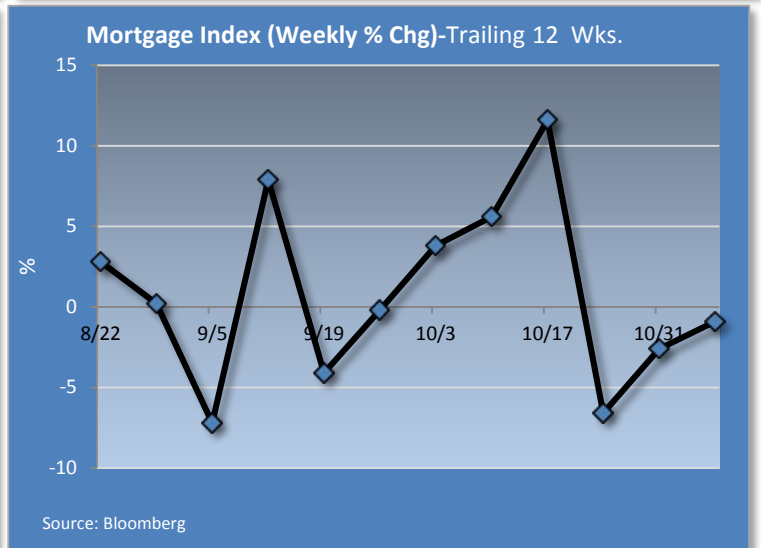
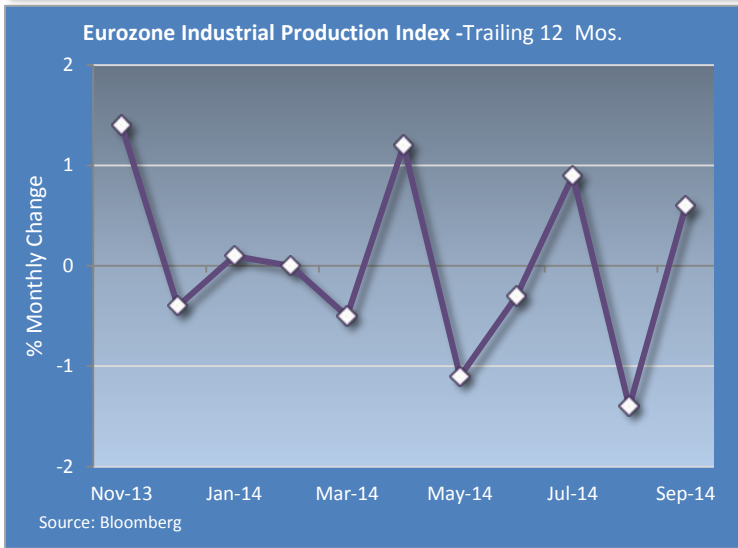
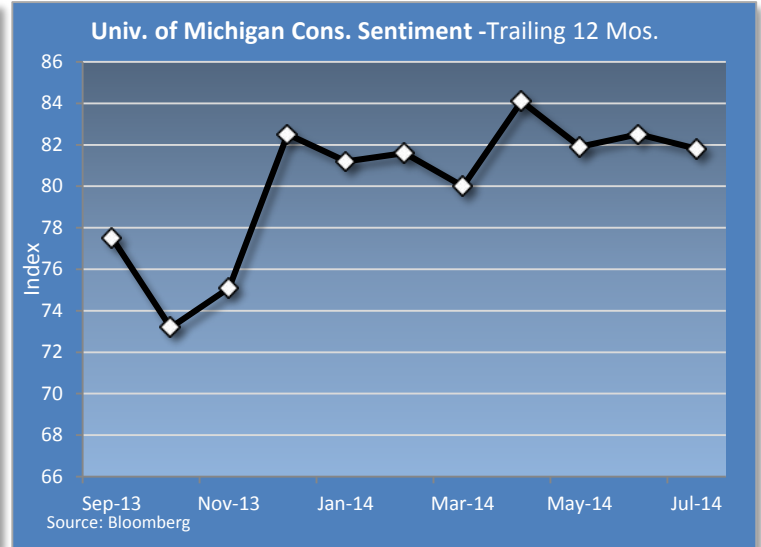
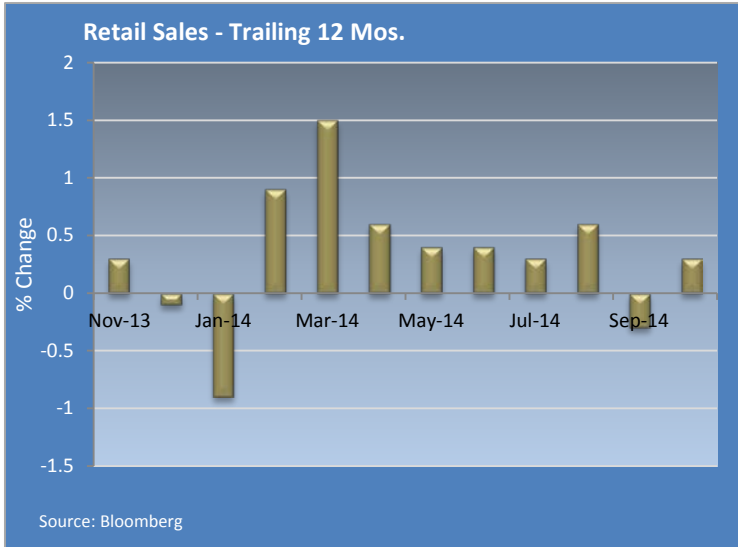
What’s past is prologue, so what matters now is what happens next. We will soon be flooded with a tsunami of 2015 market commentary (which we may offer ourselves – be warned). All of it will be useful only insofar as it cogently analyzes current trends and developments, and any who set precise return numbers are best dismissed unless it is clearly with the caveat that the numbers are meant only as a representation of conviction rather than some precious crystal ball that only that person possesses.

Here is what we know: we know, as the Envestnet Edge recently underscored, that the two years following a midterm election in the United States have for the past fifty years or more been very strong for domestic U.S. equities. We know that emerging markets, international markets, and small cap stocks have all continued to underperform this year, even though the fundamentals underlying each of those appear to be stronger than the returns generated. Expectations that those asset classes would soon do better have been disappointed, but if those fundamentals remain decent, those expectations will not continue to be disappointed. We know also that in spite of multiple geopolitical issues and structural concerns, it requires a concerted effort to make the case that we are on the precipice of a major downturn. It is possible, always possible, but not probable.

Finally, given current trading volumes (low), we may be in for a relatively quiet year-end. As we said earlier in the year, quiet periods are not a given and should be used well to position. Much easier to do that when things are calm, which they are now and most surely will not always be.

Zachary Karabell
Head of Global Strategy

THIS WEEK IN THE ECONOMY AND MARKETS



EUROZONE

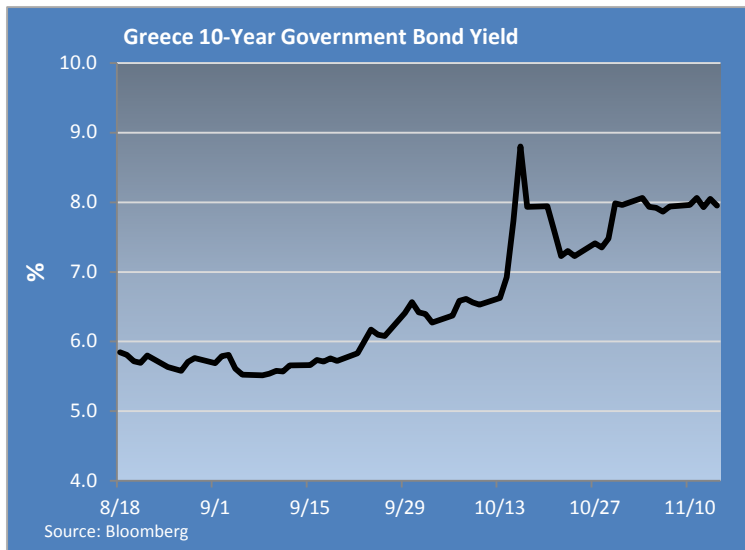
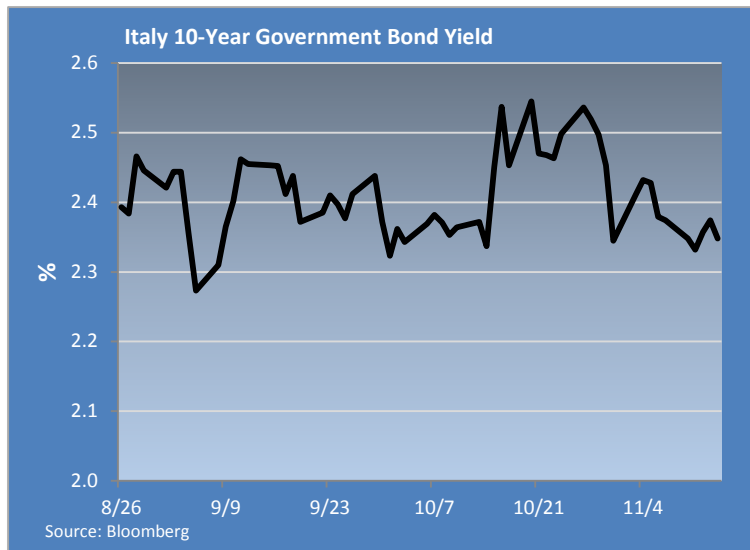
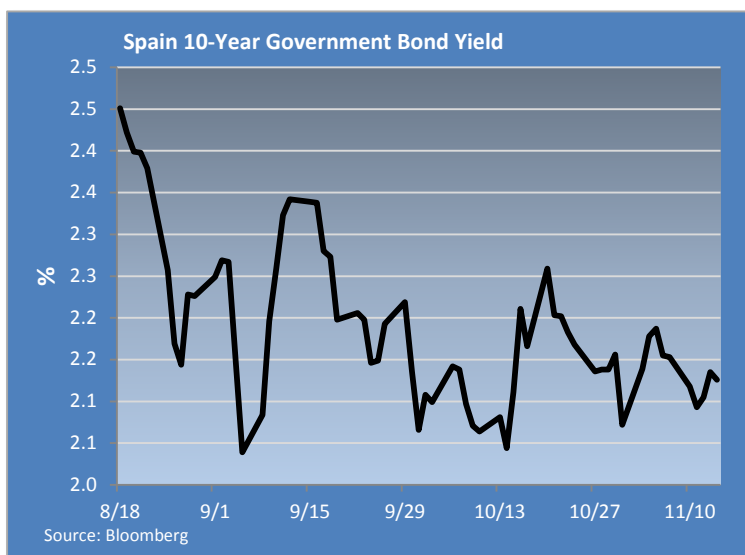
SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.79	2 bps	NM	NM
Greece 10-Yr. Govt.	7.95	0 bps	NM	NM
Italy 10-Yr. Govt.	2.35	2 bps	NM	NM
Spain 10-Yr. Govt.	2.13	2 bps	NM	NM
Belgium 10-Yr. Govt.	1.07	5 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	1.14	4 bps	NM	NM
Ireland 10-Yr. Govt.	1.57	9 bps	NM	NM
Portugal 10-Yr. Govt.	3.18	8 bps	NM	NM
Netherlands 10-Yr. Govt.	0.94	2 bps	NM	NM
U.K. 10-Yr. Govt.	2.14	5 bps	NM	NM

Source: Bloomberg

Basis points (bps)



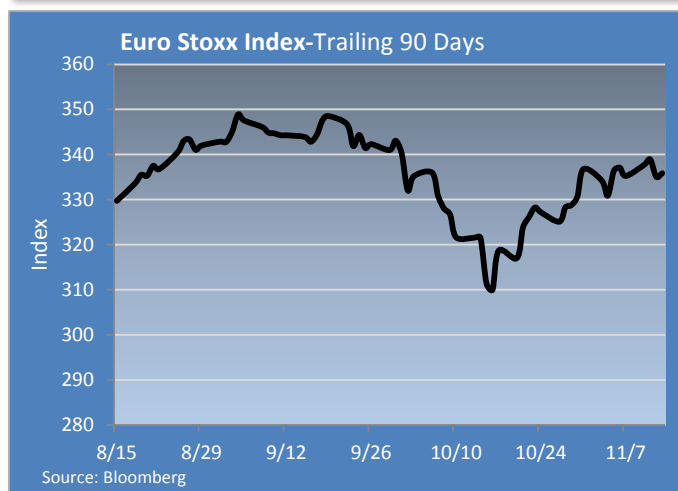
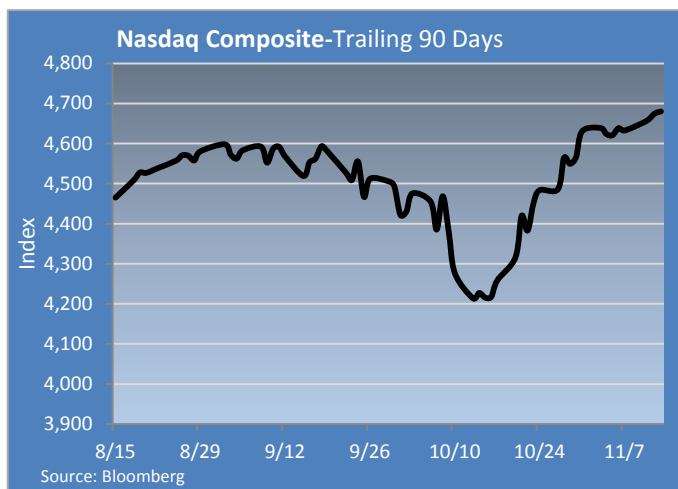
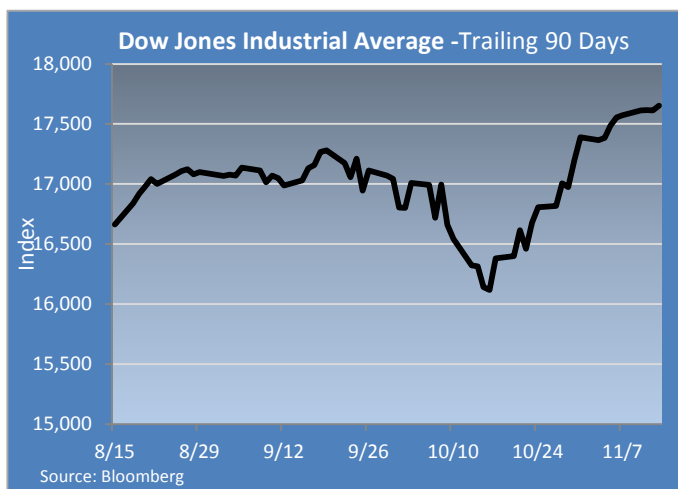
EQUITIES

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,039.82	6.00	0.30%	10.26%
Dow Industrials	17,634.74	75.71	0.43%	6.47%
Nasdaq Composite	4,688.54	51.54	1.11%	12.15%
Russell Global	1,738.57	9.35	0.54%	2.6%
Russell Global EM	3,101.53	17.71	0.57%	-0.2%
S&P/TSX (Canada)	14,843.10	80.76	0.55%	8.44%
Mexico IPC	43,372.01	-1291.93	-2.90%	1.39%
Brazil Bovespa	51,772.40	-1990.79	-3.74%	-0.53%
Euro Stoxx 600	335.63	-0.07	-0.02%	2.11%
FTSE 100	6,654.37	79.36	1.21%	-1.52%
IBEX 35 (Spain)	10,148.00	1.20	0.01%	2.13%

	Last	Change	% Chg.	YTD %
Swiss Market Index	8,915.31	80.14	0.91%	8.46%
CAC 40 Index (France)	4,202.46	12.15	0.29%	-2.19%
DAX Index (Germany)	9,252.94	-52.23	-0.56%	-3.27%
Irish Overall Index	4,744.78	-77.95	-1.61%	4.63%
Nikkei 225	17,490.83	610.45	3.62%	7.36%
Hang Seng Index	24,087.38	537.14	2.28%	3.35%
Shanghai Composite	2,478.82	60.65	2.51%	17.15%
Kospi Index (S. Korea)	1,945.14	5.27	0.27%	-3.29%
Taiwan Taiex Index	8,982.88	70.26	0.79%	4.31%
Tel Aviv 25 Index	1,445.78	-5.33	-0.37%	8.76%
MICEX Index (Russia)	1,500.76	3.65	0.24%	-0.22%

Source: Bloomberg; Index % change is based on price.



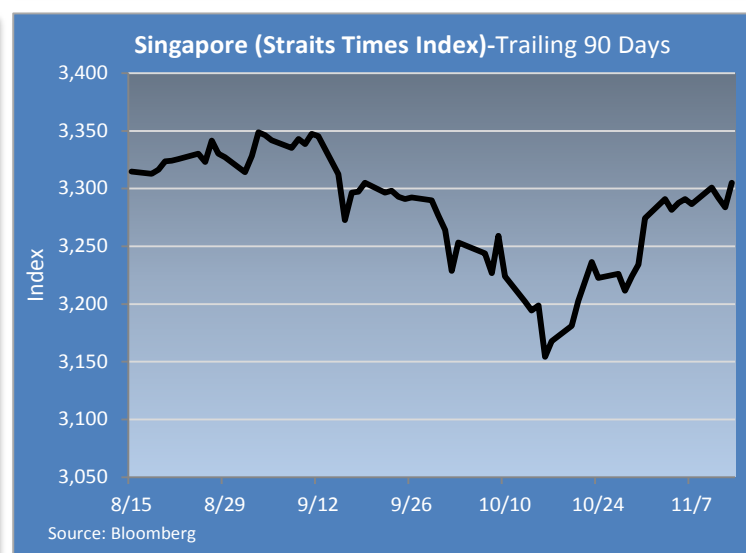
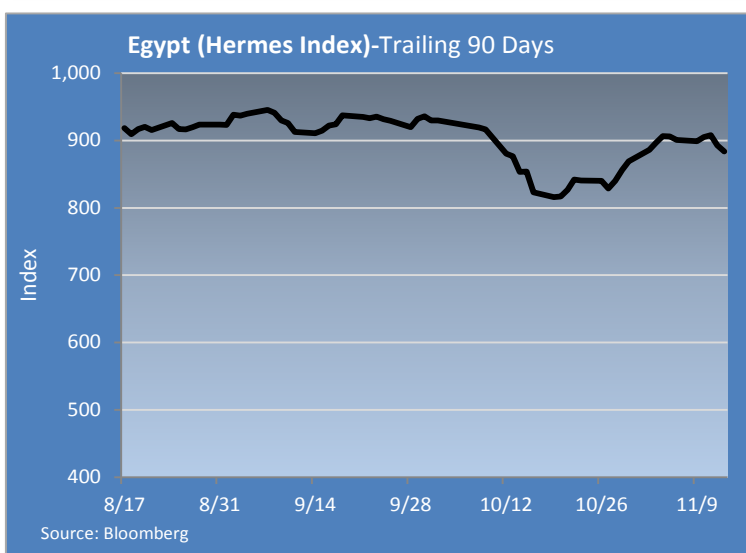
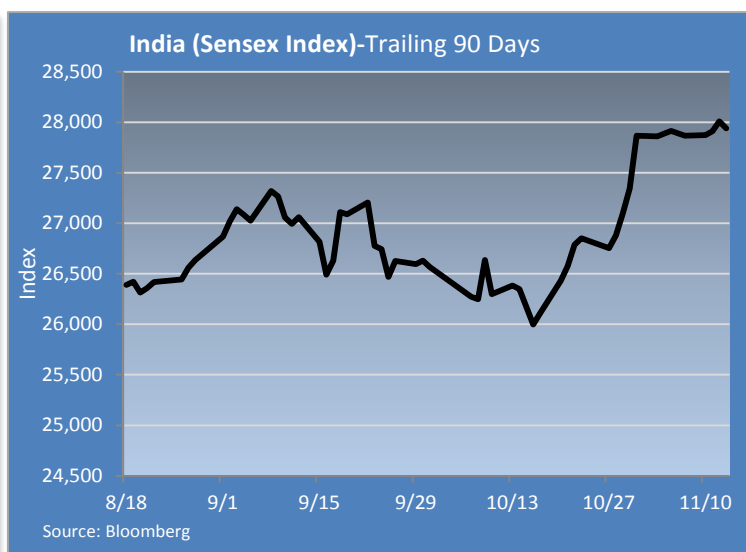
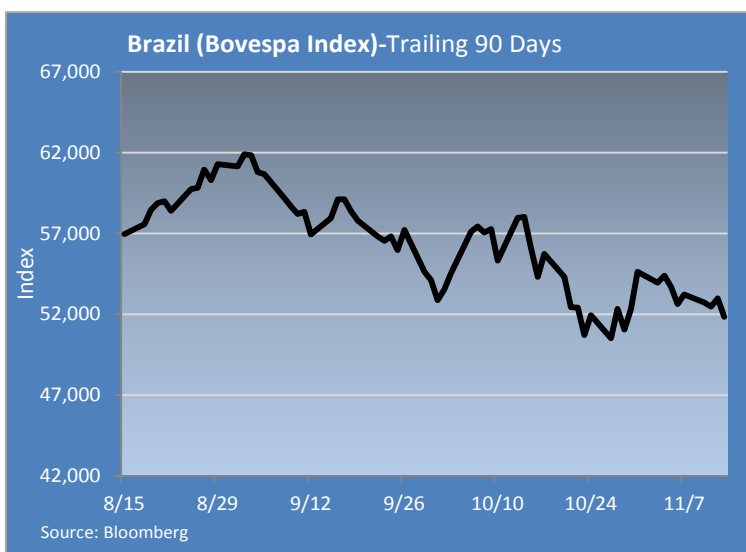
EQUITIES – EMERGING AND FRONTIER MARKETS

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	43,372.01	-1291.93	-2.9%	1.4%
Brazil (Bovespa Index)	51,772.40	-1990.79	-3.7%	-0.5%
MICEX Index (Russia)	1,500.76	3.65	0.2%	-0.2%
Czech Republic (Prague)	960.72	-8.58	-0.9%	-2.9%
Turkey (Istanbul)	81,211.55	3253.80	4.2%	19.8%
Egypt (Hermes Index)	883.86	-16.86	-1.9%	30.9%
Kenya (Nairobi 20 Index)	5,139.37	64.44	1.3%	4.3%
Saudi Arabia (TASI Index)	9,681.66	32.38	0.3%	13.4%
Lebanon (Beirut BLOM Index)	1,172.13	1.08	0.1%	1.9%
Palestine	492.52	1.57	0.3%	-9.0%

	Last	Change	% Chg.	YTD %
Hang Seng Index	24,087.38	537.14	2.3%	3.4%
India (Sensex 30)	28,046.66	178.03	0.6%	32.5%
Malaysia (KLCI Index)	1,813.79	-10.40	-0.6%	-2.8%
Singapore (Straits Times Index)	3,315.67	29.28	0.9%	4.7%
Thailand (SET Index)	1,575.88	-2.49	-0.2%	21.3%
Indonesia (Jakarta)	5,049.49	62.06	1.2%	18.1%
Pakistan (Karachi KSE 100)	31,344.07	414.03	1.3%	24.1%
Vietnam (Ho Chi Minh)	600.36	-2.23	-0.4%	19.0%
Sri Lanka (Colombo)	7,501.09	84.94	1.1%	26.9%
Cambodia (Laos)	1,440.29	44.50	3.2%	14.9%

Source: Bloomberg; Index % change is based on price.



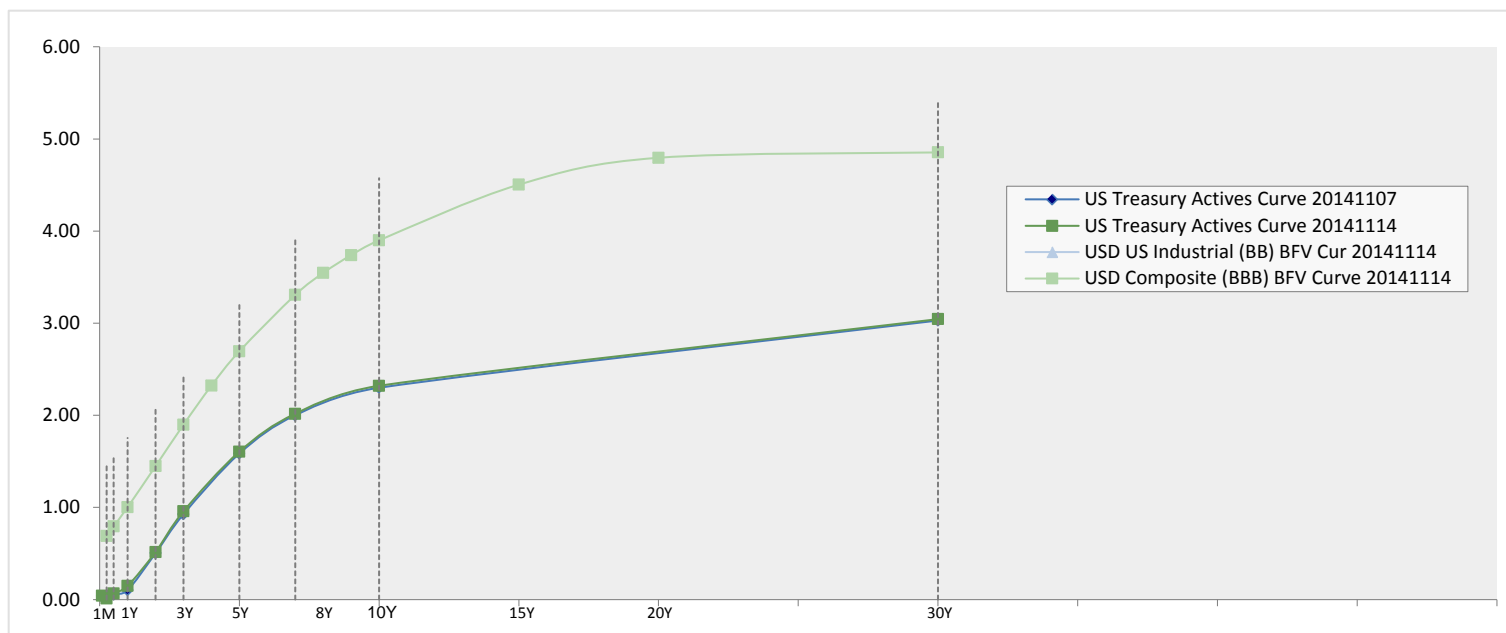
INTEREST RATES

SELECTED INTEREST RATES

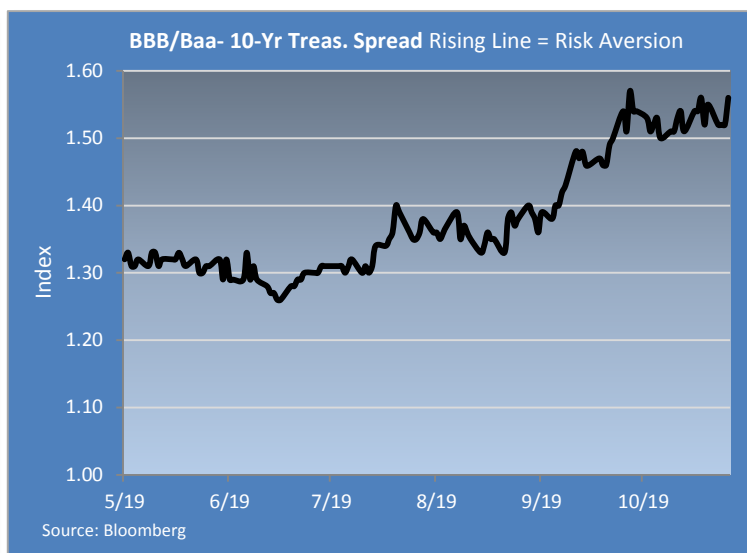
	Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	0.53%	-1 bps	NM	NM
5-Yr. U.S. Treasury	1.60%	5 bps	NM	NM
10-Yr. U.S. Treasury	2.32%	4 bps	NM	NM
30-Yr. U.S. Treasury	3.04%	2 bps	NM	NM
German 10-Yr. Govt.	0.79%	2 bps	NM	NM
France 10-Yr.	1.14%	4 bps	NM	NM
Italy 10-Yr.	2.35%	2 bps	NM	NM
Fed 5-Yr Fwd BE Inf.	2.18%	2 bps	NM	NM

	Last	Change	% Chg.	YTD %
Prime Rate	3.25%	0.00	NM	NM
Fed Funds Rate	0.25%	0.00	NM	NM
Discount Rate	0.75%	0.00	NM	NM
LIBOR (3 Mo.)	0.23%	0 bps	NM	NM
Bond Buyer 40 Muni	3.85%	0 bps	NM	NM
Bond Buyer 40 G.O.	3.98%	NA	NM	NM
Bond Buyer 40 Rev.	4.62%	NA	NM	NM

Source: Bloomberg



Source: Bloomberg



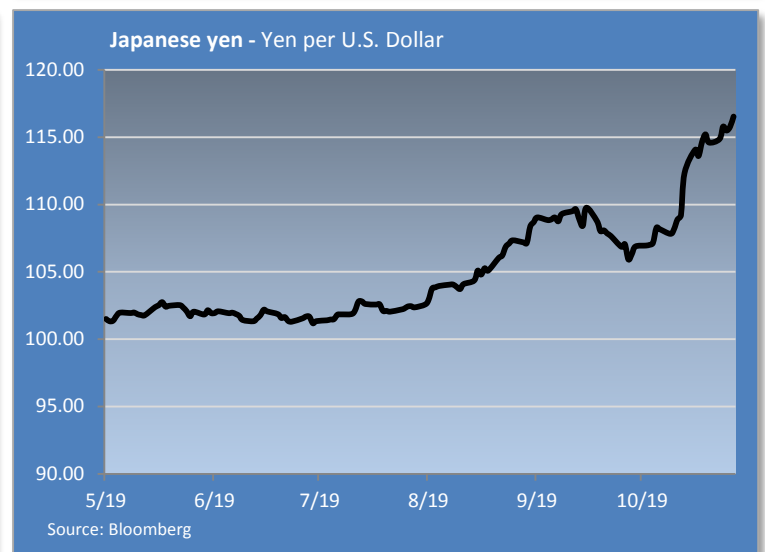
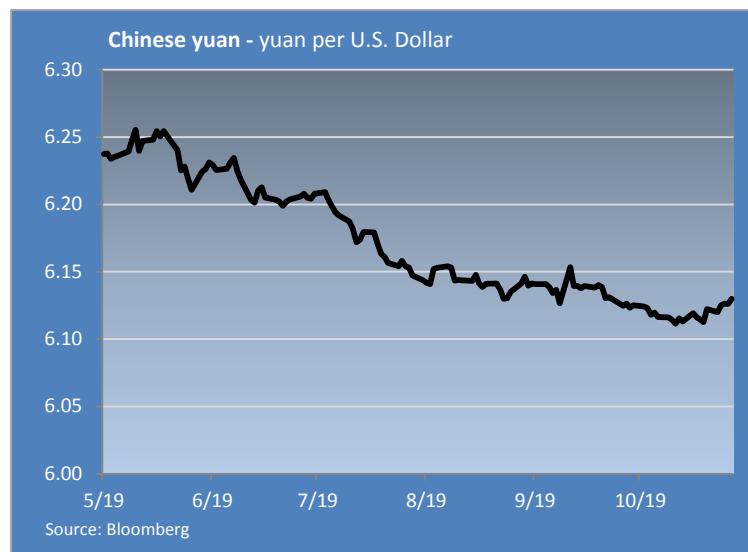
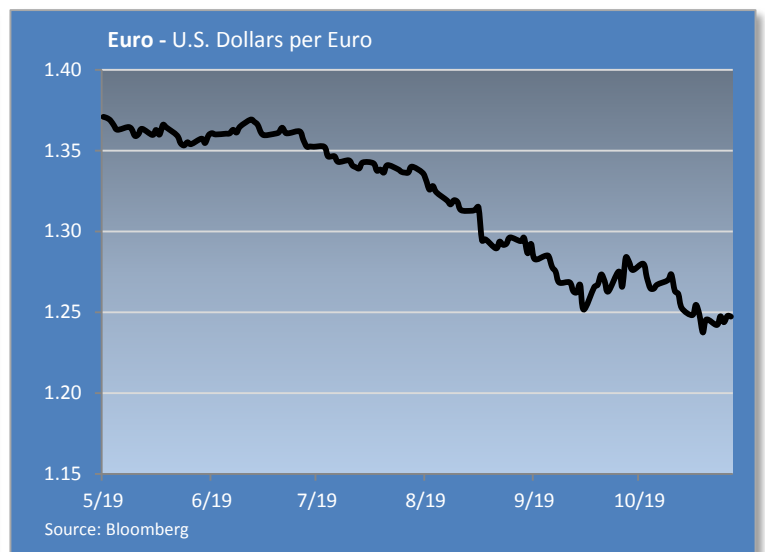
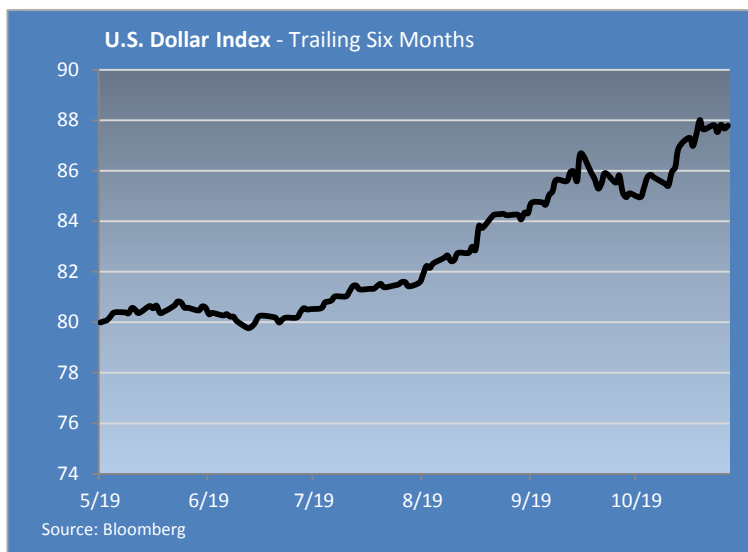
CURRENCIES

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	87.53	0.148	0.17%	9.69%
Euro	1.25	0.002	0.14%	-9.25%
Japanese Yen	116.23	1.930	-1.66%	-9.63%
British Pound	1.57	-0.023	-1.45%	-5.54%
Canadian Dollar	1.13	0.000	0.03%	-6.21%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.13	0.008	-0.12%	-1.23%
Swiss Franc	0.96	-0.003	0.30%	-7.31%
New Zealand Dollar	0.79	0.014	1.74%	-3.96%
Brazilian Real	2.60	0.047	-1.81%	-9.36%
Mexican Peso	13.53	-0.007	0.05%	-3.67%

Source: Bloomberg



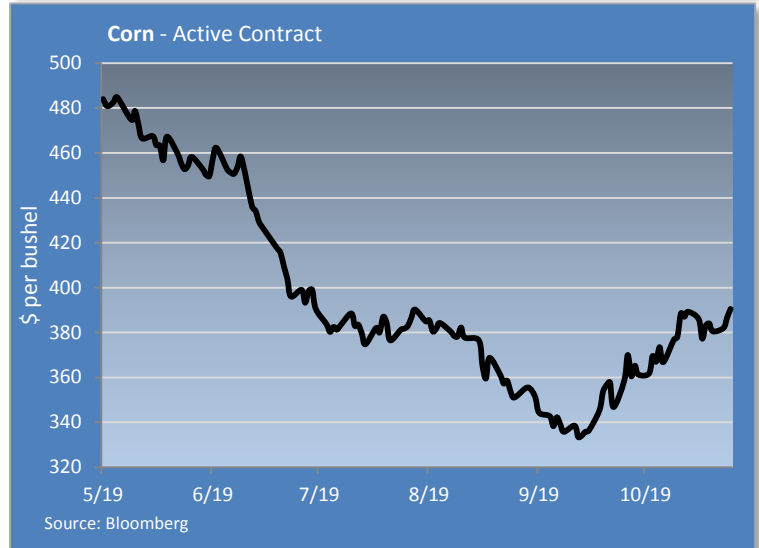
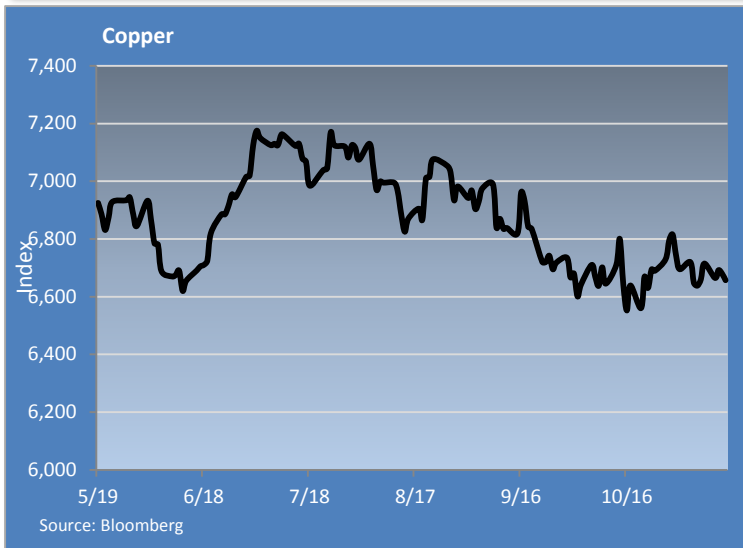
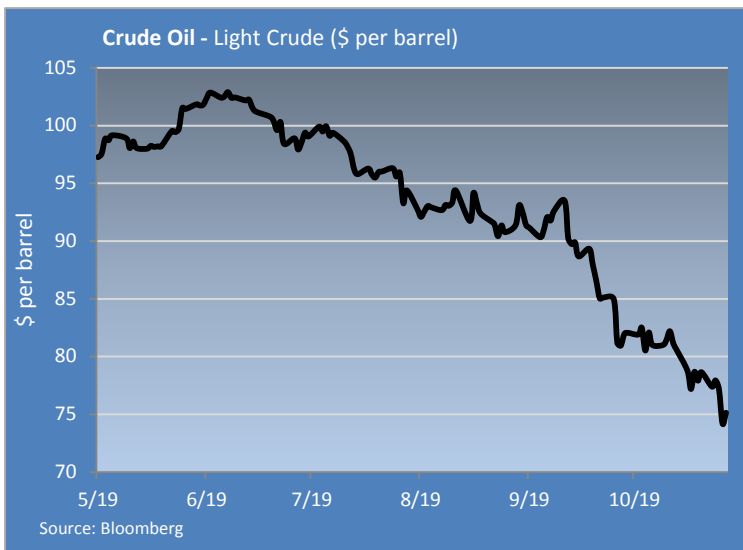
COMMODITIES

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
DJ UBS Comm. Idx.	116.88	-1.15	-0.98%	-7.34%
Rogers Int. Comm. Idx.	3114.13	-57.61	-1.82%	-12.43%
Crude Oil	\$76.01	-\$3.51	-4.46%	-18.96%
Natural Gas	\$4.07	-\$0.43	-9.75%	-7.65%
Gasoline (\$/Gal.)	\$2.91	-\$0.03	-0.88%	-12.31%
Heating Oil	242.17	-9.16	-3.66%	-19.36%
Gold Spot	\$1,188.72	-\$3.08	-0.26%	-2.23%
Silver Spot	\$16.31	\$0.10	0.61%	-18.43%

	Last	Change	% Chg.	YTD %
Platinum Spot	\$1,213.75	-\$20.44	-1.68%	-12.71%
Corn	394.25	16.00	4.20%	-13.99%
Wheat	562.75	33.25	6.32%	-13.76%
Soybeans	1,022.50	0.25	0.02%	-9.07%
Sugar	15.90	0.26	1.66%	-10.14%
Orange Juice	131.10	1.10	0.86%	-12.75%
Aluminum	2,041.00	-14.00	-0.68%	13.37%
Copper	6,657.00	-58.00	-0.86%	-9.55%

Source: Bloomberg; % change is based on price.



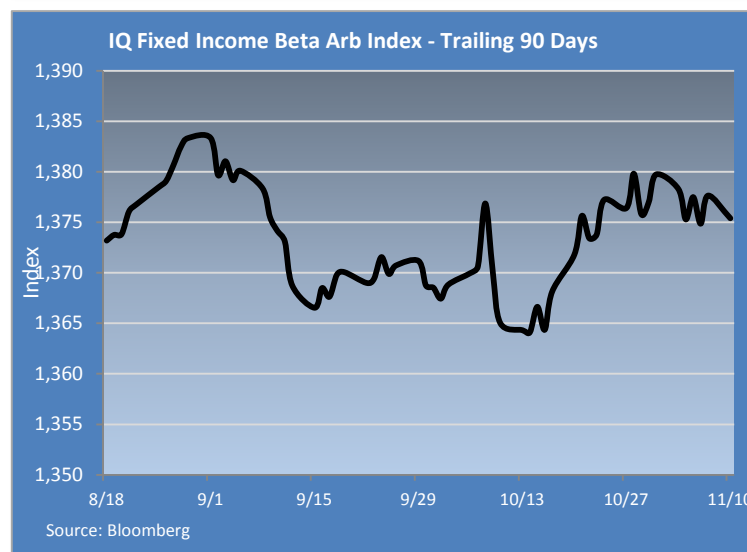
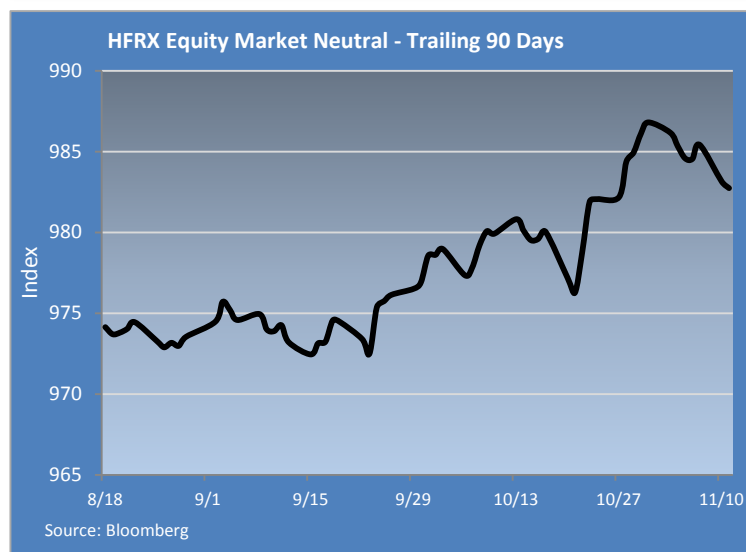
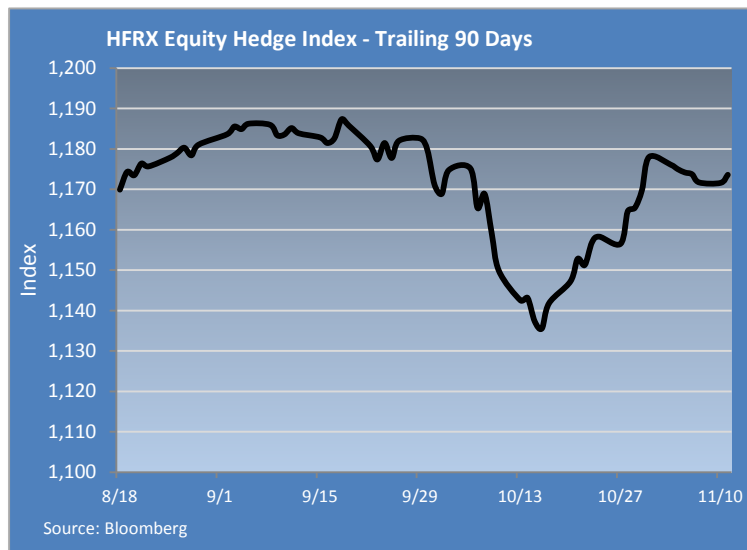
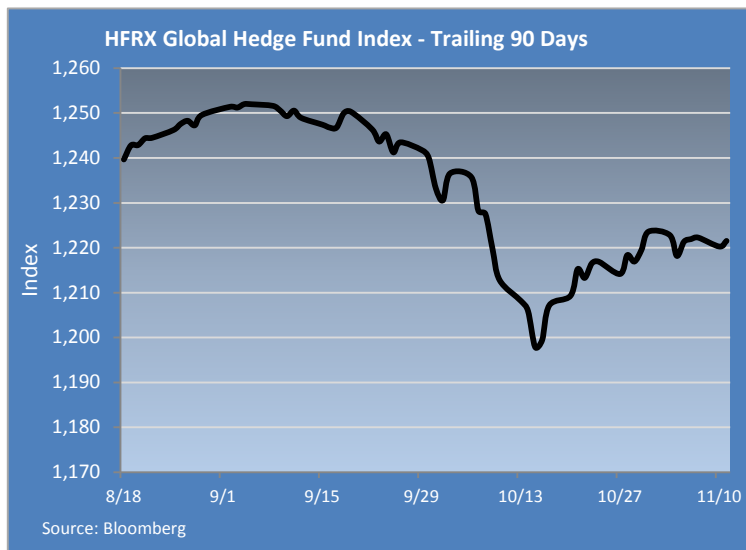
ALTERNATIVE INVESTMENTS

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

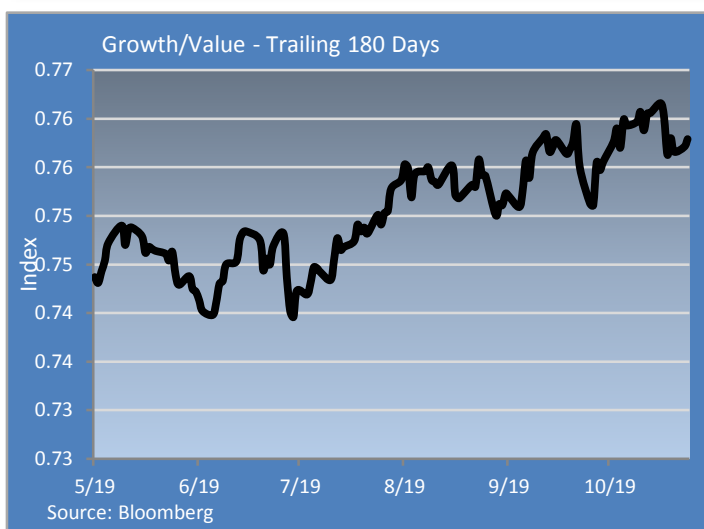
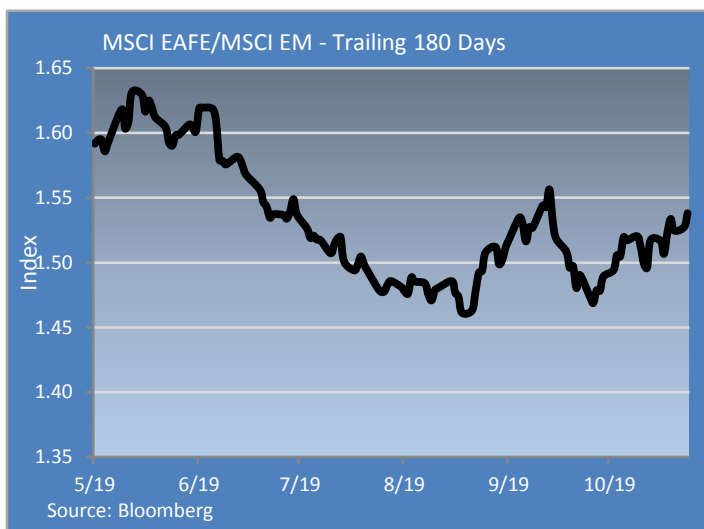
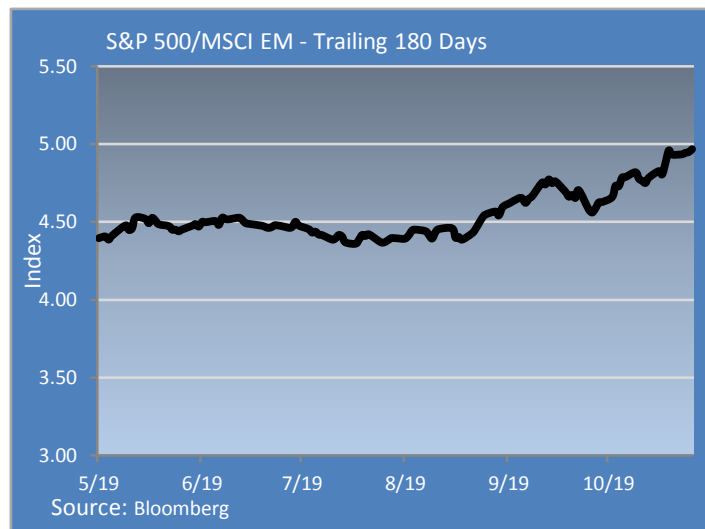
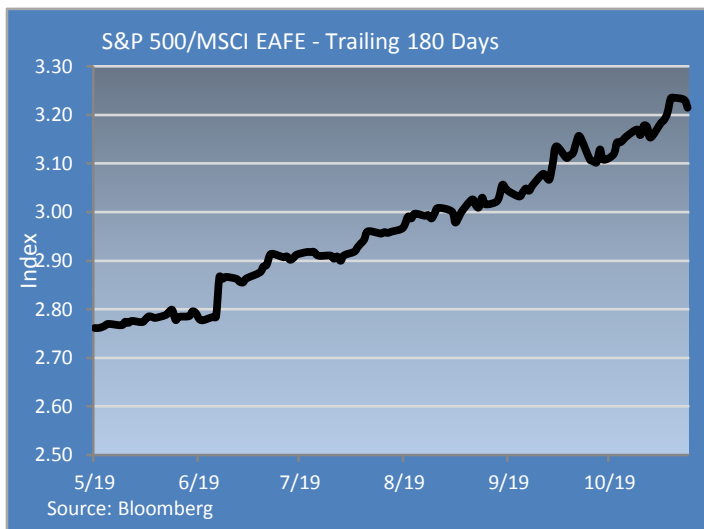
	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1221.92	-0.37	-0.03%	-0.29%
HFRX Equity Market Neutral	983.15	-2.95	-0.30%	3.22%
HFRX Equity Hedge Index	1173.73	1.95	0.17%	0.71%
HFRX Event-Driven Index	1521.05	-7.95	-0.52%	-3.63%
HFRX Absolute Return Index	1001.58	-0.63	-0.06%	1.29%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	1017.54	-3.57	-0.35%	1.28%
HFRX Merger Arbitrage Index	1587.95	0.57	0.04%	1.23%
HFRX Convertible Arbitrage Index	722.29	-1.11	-0.15%	-7.46%
HFRX Macro CTA Index	1176.18	2.21	0.19%	3.88%
IQ Fixed Income Beta Arb Index	1379.27	-1.65	-0.12%	5.95%

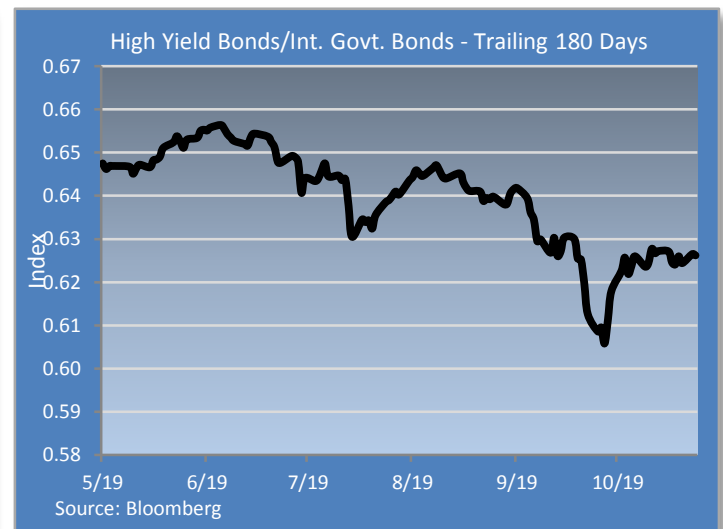
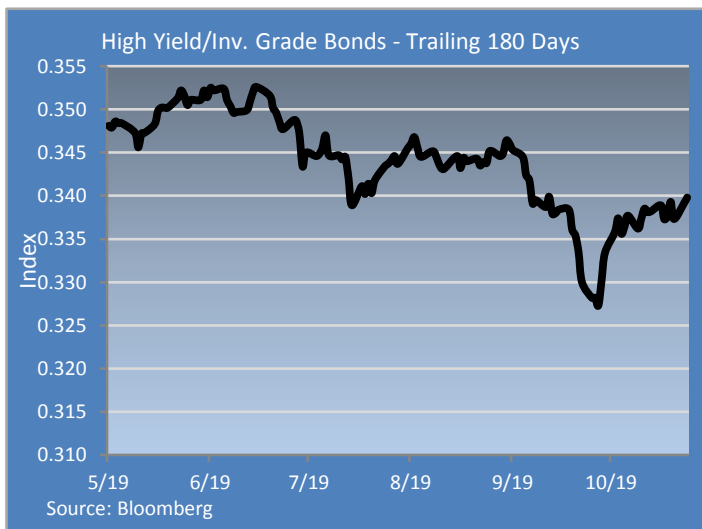
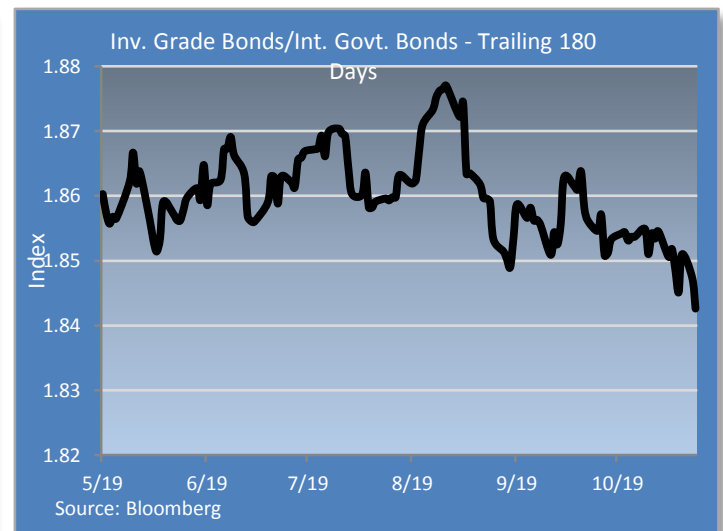
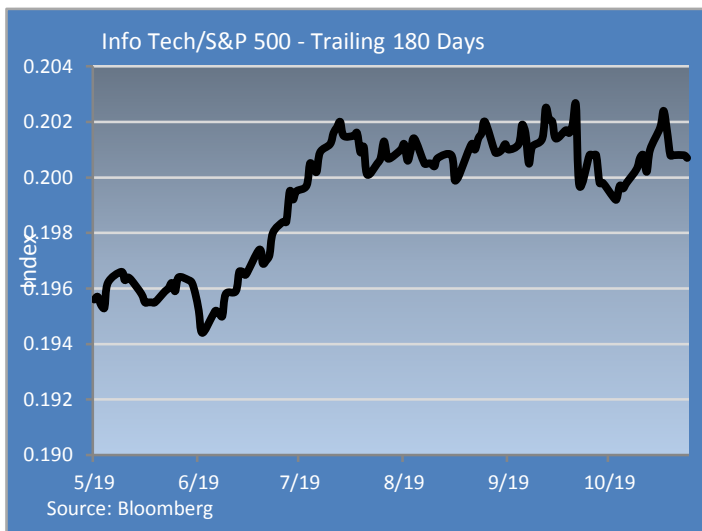
Source: Bloomberg; Index % change is based on price.



PORTFOLIO CONSTRUCTION



PORTFOLIO CONSTRUCTION (cont'd.)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			8/28	9/4	9/11	9/18	9/25	10/2	10/9	10/16	10/23	10/30	11/6	11/13
Equity	Domestic Equity	Large Cap (R200)	0.18%	-0.01%	0.05%	0.89%	-2.18%	-0.96%	-0.87%	-3.63%	4.70%	2.23%	1.74%	0.49%
		Small Cap (R2000)	0.51%	0.11%	0.44%	-1.11%	-4.23%	-1.25%	-2.59%	1.67%	2.82%	3.52%	1.39%	0.30%
	Int'l. Equity	MSCI EAFE	-0.08%	0.50%	-1.49%	-0.03%	-1.94%	-3.58%	-0.74%	-4.01%	3.61%	1.24%	0.31%	0.47%
		MSCI Em. Mkts.	0.47%	1.22%	-2.80%	-1.22%	-2.91%	-3.23%	1.59%	-3.74%	1.14%	2.63%	-1.61%	0.14%
Fixed Income	BarCap Agg. (AGG)	0.40%	-0.54%	-0.53%	-0.32%	0.53%	0.26%	0.51%	0.69%	-0.40%	-0.14%	-0.49%	0.20%	
	High Yield (JNK)	0.10%	-0.94%	-0.83%	0.07%	-1.30%	-0.15%	-0.57%	-0.53%	1.61%	0.20%	-0.50%	-0.42%	
Commodities	DJ UBS Index	0.67%	-1.31%	-2.44%	-0.94%	-1.16%	-0.73%	0.52%	-1.08%	-0.26%	0.60%	-0.81%	-0.90%	
Alternatives	Hedge Funds (HFRX Global)	0.23%	0.38%	-0.12%	-0.05%	-0.70%	-0.86%	-0.88%	-1.66%	1.42%	0.25%	0.20%	0.00%	
Asset Allocation	60/40*	0.26%	-0.09%	-0.53%	-0.02%	-1.40%	-1.03%	-0.40%	-1.49%	2.23%	1.30%	0.43%	0.30%	
	48/32/20 (w/Alts.)**	0.25%	0.00%	-0.45%	-0.02%	-1.26%	-1.00%	-0.50%	-1.53%	2.07%	1.09%	0.38%	0.24%	

Source: Bloomberg; *60/40 portfolio = 30% Large Cap/10% Small Cap/15% EAFE/5% Emerging Markets/35% BarCap Agg./5% High Yield.

**48/32/20 portfolio = 24% Large Cap/8% Small Cap/12% EAFE/4% Emerging Markets/28% BarCap Agg./4% High Yield/20% HFRX Global Index.

RELATIVE STRENGTH MATRIX (BASED ON 30-DAY RSI)

	Large Cap Core	Large Cap Growth	Large Cap Value	Mid Cap Core	Mid Cap Growth	Mid Cap Value	Small Cap Core	Small Cap Growth	Small Cap Value	Int'l. Developed	Emerging Markets	REITs	Comm.	Int. Bond	High Yield
Large Cap Core	1.00	0.99	1.02	1.03	1.03	1.04	1.05	1.05	1.05	1.28	1.37	0.96	1.52	1.17	1.36
Large Cap Growth	1.01	1.00	1.04	1.04	1.04	1.06	1.06	1.07	1.07	1.29	1.39	0.97	1.54	1.19	1.38
Large Cap Value	0.98	0.96	1.00	1.01	1.00	1.02	1.03	1.03	1.03	1.25	1.34	0.94	1.49	1.15	1.33
Mid Cap Core	0.97	0.96	0.99	1.00	0.99	1.01	1.02	1.02	1.02	1.24	1.33	0.93	1.48	1.14	1.32
Mid Cap Growth	0.98	0.96	1.00	1.01	1.00	1.02	1.02	1.03	1.03	1.25	1.34	0.94	1.49	1.15	1.33
Mid Cap Value	0.96	0.95	0.98	0.99	0.98	1.00	1.01	1.01	1.01	1.22	1.32	0.92	1.46	1.12	1.31
Small Cap Core	0.95	0.94	0.97	0.98	0.98	0.99	1.00	1.00	1.00	1.22	1.31	0.92	1.45	1.12	1.30
Small Cap Growth	0.95	0.94	0.97	0.98	0.97	0.99	1.00	1.00	1.00	1.21	1.31	0.91	1.45	1.12	1.30
Small Cap Value	0.95	0.94	0.97	0.98	0.97	0.99	1.00	1.00	1.00	1.22	1.31	0.91	1.45	1.12	1.30
Int'l. Developed	0.78	0.77	0.80	0.81	0.80	0.82	0.82	0.82	0.82	1.00	1.08	0.75	1.19	0.92	1.07
Emerging Markets	0.73	0.72	0.74	0.75	0.75	0.76	0.76	0.76	0.76	0.93	1.00	0.70	1.11	0.85	0.99
REITs	1.04	1.03	1.06	1.07	1.07	1.09	1.09	1.09	1.09	1.33	1.43	1.00	1.59	1.22	1.42
Commodities	0.66	0.65	0.67	0.68	0.67	0.69	0.69	0.69	0.69	0.84	0.90	0.63	1.00	0.77	0.90
Int. Bond	0.85	0.84	0.87	0.88	0.87	0.89	0.89	0.89	0.90	1.09	1.17	0.82	1.30	1.00	1.16
High Yield	0.73	0.72	0.75	0.76	0.75	0.77	0.77	0.77	0.77	0.94	1.01	0.70	1.12	0.86	1.00

The Relative Strength Matrix provides an indication of how the various asset classes have performed relative to one another over the past 30 days. A number greater than 1.0 indicates that the asset class in the far left column has outperformed the corresponding asset class in the top row over the past 30 days. A number below 1.0 means the asset class on the left has underperformed the asset class at the top. The green shading indicates outperformance, and the red shading indicates underperformance.

INDEX OVERVIEW

The S&P 500 Index is an unmanaged index comprised of 500 widely held securities considered to be representative of the stock market in general. The S&P/Case-Shiller Home Price Indices measure the residential housing market, tracking changes in the value of the residential real estate market in 20 metropolitan regions across the United States. The Nasdaq Composite is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The MSCI EAFE Index represents 21 developed markets outside of North America. The MSCI EAFE Growth Index is an unmanaged index considered representative of growth stocks of Europe, Australasia and the Far East. The MSCI EAFE Value Index is an unmanaged index considered representative of value stocks of Europe, Australasia and the Far East. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The MSCI Europe Index is an unmanaged index considered representative of stocks of developed European countries. The MSCI Pacific Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The Barclays US Credit Index is an unmanaged index considered representative of publicly issued, SEC-registered US corporate and specified foreign debentures and secured notes. The Barclays US Aggregate Bond Index is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The Barclays US Corporate High Yield Index covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index may include emerging market debt. The Barclays Capital Municipal Bond Index is an unmanaged index comprised of investment-grade, fixed-rate municipal securities representative of the tax-exempt bond market in general. The Barclays US Treasury Total Return Index is an unmanaged index of public obligations of the US Treasury with a remaining maturity of one year or more. The Citigroup World Government Bond Index is a market capitalization weighted bond index consisting of the government bond markets of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Malaysia, Mexico, the Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The DJ-UBS Commodity Index Total ReturnSM measures the collateralized returns from a basket of 19 commodity futures contracts representing the energy, precious metals, industrial metals, grains, softs and livestock sectors. The Russell 1000 Index is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The Russell 1000 Growth Index is an unmanaged index considered representative of large-cap growth stocks. The Russell 1000 Value Index is an unmanaged index considered representative of large-cap value stocks. The Russell 2000 Index is an unmanaged index considered representative of small-cap stocks. The Russell 2000 Growth Index is an unmanaged index considered representative of small-cap growth stocks. The Russell 2000 Value Index is an unmanaged index considered representative of small-cap value stocks. The Russell 3000 Index is an unmanaged index considered representative of the US stock market. The Russell Midcap Index is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Growth Index is an unmanaged index considered representative of mid-cap growth stocks. The Russell Midcap Value Index is an unmanaged index considered representative of mid-cap value stocks. The HFRX Indices are a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRX Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX Indices. The ISM Non-Manufacturing Index is an index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM). The ISM Non-Manufacturing Index tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation. The ISM Manufacturing Index is an index based on surveys of more than 300 manufacturing firms by the Institute of Supply Management. The ISM Manufacturing Index monitors employment, production inventories, new orders and supplier deliveries. A composite diffusion index is created that monitors conditions in national manufacturing based on the data from these surveys. The Consumer Price Index (CPI) measures the change in the cost of a fixed basket of products and services. The Gross Domestic Product (GDP) rate is a measurement of the output of goods and services produced by labor and property located in the United States. Basis Point(s) is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. The CBOE Volatility Index (VIX) is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500 Index option bid/ask quotes. The Index uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index. The MSCI World ex-U.S. Index - captures large and mid-cap representation across 22 of 23 Developed Markets DM countries*--excluding the United States. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. (* DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.) The MSCI Japan Index - is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. The Barclays Global Aggregate ex-U.S. Index - is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds, and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes Treasury securities, Government agency bonds, Mortgage-backed bonds, Corporate bonds, and a small amount of foreign bonds traded in U.S. The University of Michigan Consumer Sentiment Index (MCSI) is a survey of consumer confidence conducted by the University of Michigan. The Michigan Consumer Sentiment Index (MCSI) uses telephone surveys to gather information on consumer expectations regarding the overall economy. A separately managed account (SMA) is an individual managed investment account offered typically by a brokerage firm through one of their brokers or financial consultants and managed by independent investment management firms (often called money managers for short) and have varying fee structures. An open-end index fund continuously issues and redeems shares based on investor demand. As an index fund, its investment objective is to duplicate the performance of the index it uses as a benchmark. The MSCI EM (Emerging Markets) Latin America Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America.

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